

TEACHERS' RETIREMENT BOARD

REGULAR MEETING

SUBJECT: Establishment of a Health Benefits Committee ITEM NUMBER: 8

ATTACHMENT(S): 1

ACTION: X

MEETING DATE: January 14, 1999

INFORMATION:

PRESENTER: Ms. DuCray-Morrill

SUMMARY

Legislation effective January 1, 1999 requires the Teachers' Retirement Board to conduct a study on providing health insurance benefits, including dental care and vision benefits, for members, beneficiaries, children and dependent parents. The study shall include, but not be limited to, assessing the lack of access of health insurance benefits for retired teachers and shall evaluate the following:

 The demand for health insurance benefits

 The integration of health insurance benefits and Medicare coverage

 The manner in which health insurance benefits would be administered and provided.

Staff has initiated implementation of this legislation. Specifically, an oversight consultant has been retained effective January 1, 1999. Susan O'Loughlin Ward has significant experience in health care policy and conducted a study very similar to the one mandated by the California State Teachers' Retirement System (CalSTRS). Attached is a copy of Ms. Ward's resume, attachment 1.

In addition to the oversight consultant, staff is currently recruiting to hire a limited term civil service position to assist in the assignments necessary to complete the study. Interviews for that position are expected to be completed in early January 1999.

In addition, staff released a Request For Proposal on January 5, 1999 seeking the services of a firm to assist CalSTRS in the feasibility study. The successful bidder will determine the need and demand for health care services by CalSTRS members and their families, the appropriate health care benefit design, method of administering health care benefits, and method of financing health care benefits. The selected firm would evaluate the existing availability of health care benefit programs to CalSTRS members and their families, any significant gaps in those services, and the financial and administrative feasibility of a statewide health care benefits program to reduce or eliminate those gaps.

Establishment of a Health Benefits Committee

The contract is expected to be awarded in early March, 1999 with the initial survey and recommendations on the appropriate health benefit services to be completed no later than August 16, 1999.

It is expected that numerous issues will arise in the future necessitating Board action; therefore, it is staff's opinion that a separate committee of the Board would be appropriate to hear issues involving health benefits. If adopted by the Board, staff will develop a proposed Charter and meeting schedule to coincide with already scheduled Board and Committee meetings.

Recommendation

Staff recommends that the Board, at some point, establish a Health Benefits Committee and direct staff to develop a proposed Charter and schedule of meetings. It is not anticipated that such a committee would need to meet before the initial findings of the health benefits study are available in August of 1999.